App. F. IX-4

1936-37 (EZ.)

File No. 857-36

Serial Nos. 1-2

Previous References
EZ 300-35 (1+2)
EZ 200-3---3

Letter References.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. two

Part B for January 1937.

SUBJECT.

Amendment to Savings Bank Rules relating to cessation of interest on S.B. Account.

2 W: 24333 9 13/1/37,
to the Comptroller

WD 0418—GPB—22,500—29-8-36

States that the proposal is not considered necessary.

Amendment to Savings Bank [illegible]

General and Revenue Secretariat | File No. [illegible] of 193 . | [App. F. III—2

Serial No.	
1	No 162/ S. B. 2.c.3. [illegible] suggesting in relaxation of Rules [illegible] 12.4 & 6. Rules [illegible] [illegible] [illegible]

Amendment to Savings Bank Rules

G.S. File No: 85 of 1936. | General and Revenue Secretariat

Serial No.

Same time it is not right or fair even to a depositor to penalise his heirs for his own laxity or delay.

Government Contribution is in reality a source of revenue to Govt, and to levy interest for the interval on a S.B. Account would mean a double levy on the heirs.

The analogy of Provident Fund, on which no interest is allowed after 6 months from the death of a subscriber loses force for this reason. Under the Provident Fund rules, the amount at credit of a subscriber must be withdrawn either on death or on cessation of his service. It is a family provision incidental to service and is therefore clearly distinguishable from a Savings Bank Account which is a Banking Account. Besides, the latter does not earn the high rate of interest as the P.F. account does. If this view should be conceded, the analogy ceases to be such.

Reference is also invited to the legal opinion in G.S. 300-25.

Amendment to Savings Bank Rules 1232

Serial No.

which says that the notice contemplated in Rule 60 is enough for the purpose in question, provided it is addressed to a proper person.

5 For these reasons, the existing rule which is sufficiently clear & comprehensive, in terms, may stand.

6 The Law Dept may be consulted to advise about the way in which the notice in rule 60 could be made effective. No rule has been in existence for such orders long & has thus stood the test of time.

15/9/36 J.H.Sey) 17/10

1 What is the provision of the P.F. rules regarding it by him? Does it contemplate the production of a Court Certificate? We cannot fix a time limit for getting a Court Certificate nor can we issue a notice or tender payment to a claimant until such Certificate is produced. When we issue a notice we must be in a position to repay the amount if demanded. We are not particularly interested in stopping interest on money lying in the Treasury. Nor is there any reason to assume that a person will not

WD 0417—GPB—80,000—8-9-36

4 Amendment to Savings Bank Rules

12.32/36

G.F. File No. 85 of 1936 | General and Revenue Secretariat

Serial No.

be anxious to transfer the amount of the deceased to his own name or to withdraw the money as soon as he gets the necessary Court Certificate and is in a position to do so. I do not therefore think that any change in the existing rules is called for.

68/36
W 19/10

4 The P.F. rule about the withdrawal ceasing to run six months after death of a subscriber is framed in G.O No. Fe.4781-860/G.F. 200-34-2 & 6.12.34.

(D P.F. rule No 9^x(2)(d) provides for the production of a succession Certificate only in certain altruistic cases & the scope of paying the money (& much wider than in the S.B. rules.

1 Draft sent up to accord with para 8 (F Secy)

W 29/10

Fe 29/X M

S.B.

COMPTROLLER'S OFFICE 568/SBC 17 DEC 1936 BANGALORE

13 To comply with Comptroller's remarks with reference to my note dated 18/10/36.

16/12

W 17/12

Amendment to Savings Bank Rules.

1232/37

Comptroller's Office

File No. of 193 .

~~No. 566/Spl dated 4-1-37~~

Serial No. 2460

U.O.No. 325/S.B. Dated: 24th December 1936.

FINANCE 4 JAN No.

14 Returned with compliments.

I have no further remarks to offer.

Comptroller.

S.S.

Repn. Para 13.

15 May the draft already sent up issue in the circumstances?

16 Secy) 7/1/37

17 The Comptroller's suggested alterations in the present rules are not acceptable & it is proposed to inform him accordingly.

Secy) 7/1/37

8-1-37

Issue 9/1

2 No DC 43339/13.(37) to the Comptroller stating reasons that the purpose for which charge is not Communal nexus.

15/1

Note-- Contn. Sheet.

C.7-85-36-1

In reply please quote reference to No. 162/S.B.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

Bangalore, dated 2nd October 193 6

FINANCIAL 3 OCT No.

FROM

A. N. RAGHAVACHAR, ESQ., M.A.,
Comptroller to the Government of His Highness the Maharaja of Mysore,
Bangalore.

FINANCIAL 1623 GENL & REV. SECTT.

To

S. Shamanna, Esq., B.A.,
Financial Secretary to Government,
Bangalore.

SIR,

I have the honour to state that under note 20of. S.B. rule 40 and rule 78 A. of the Savings Bank Rules the Savings Bank Deposit Account of a deceased person should cease to earn interest from the first of the month in which a notice is issued to the legal heirs. In the case of an account which has been nominated under S.B. Rule 50 the said notice can be issued to the registered nominee who can claim the amount under section 4 A of the S.B.Act provided there are no counter claims within 3 months from the date of death of the depositor under section 4 of the Savings Bank Act and interest can thus be stopped from the 1st of the month in which the notice was issued, when the death is known to the treasury.

In the absence of nomination eventhough the treasury is in the know of the death of a depositor a notice cannot be issued to the legal heir unless the said legal heir claims and establishes his title for the deceased depositor's amount either by production of the orders of a competent court of law or that of the treasury officer empowered to sanction the payment. In many a case either on account of disputes among the claimants inter[illegible] or Law's delays or in some cases with a view to earn interest, the legal claimants do not obtain and produce the necessary court orders till long after the death of a person.

The case of S.B.Account No.210 of Gundlupet Taluk finally paid to Mr. Pradaniah according to the legal opinion communicated in your U.O.No.G.F.300 of 1935 dated 16-7-1936 is an instance in

in point in which even the notice is issued so long ago as 1926 was considered and interest was allowed uptodate.

There is no provision in the rules of the Postal Savings Bank to stop interest after the death of a depositor and the rule in our S.B. Rules also is practically inoperative since in most cases the date of claim by the declared heir and that of payment will be simultaneous when the issue of notice would be out of place.

If the rule is to be made effective, it seems necessary to prescribe a time limit after the death of a depositor within which court certificates must be produced or upto which only interest could be allowed say about a year or two, as per instance in the case of S.P.F. where no interest is allowable six months after the death of a subscriber.

If this does not commend itself to Government the clause regarding issue of notice in rule 40 may perhaps be deleted and a new rule substituted to the effect that interest ceases on the account from the beginning of the month after that in which a court or treasury officer's order establishing the title of a heir is issued. This will be an improvement of the present rule, as it will automatically ensure the closing of an account and saving of interest thereon as soon as a court order is obtained and communicated and at the same time dispense with the necessity for issue of a separate notice, etc.

I request that orders of Government may be obtained on these proposals early.

I have the honour to be,

Sir,

Your most obedient servant,

Comptroller.

S.S.

Appendix F G—1]

SUBJECT.....

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Section G.F.

File No. 85-36

Serial No. 2

No. JA 4333

Diary No. of letter replied to.....

To

The Comptr.

Sir,

General and Revenue Secretariat

( )

the 193 .

With reference to your letter No 162. S. B 2.10.36 in the matter of amending Rule 40 of S.B Rules about the issue of notice, in the case of accounts of deceased depositors I am directed to state that when notice is issued, the amount at credit of an Account should become repayable if demanded. There is no particular interest point in stopping interest on money lying in the Treasury. Nor is there any reason to assume that a person will not be anxious to transfer the amount after

Date of issue 13/1/37

Signed by Mr. K. Venkata Rao

List of enclosures.....

Copied by .....

Examined by.....

WD 03601—GPB—30,000—23-9-35

Deceased to his own name, or
to withdraw the money as soon as
he gets the necessary Court Certificate.
and is in a position to do so.
Savings Bank accounts are distinguished
from Provident Fund accounts. and the same rules need not apply
to both of them.
Govt do not consider
that any change in the existing
rule is called for.

Yours etc.

SC
29/X

W
29/10

Dr
2.1.37
MC

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. 4333

Dated, Bangalore, 11th January *1937*

13

From

The *Financial Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Comptroller to Government,
Bangalore.

Sir,

With reference to your letter No.162-S.B. dated 2nd October 1936 in the matter of amending Rule 10 of Savings Bank Rules about the issue of notice in the case of accounts of deceased depositors, I am directed to state that when notice is issued, the amount at the credit of an Account becomes repayable, if demanded. There is no particular point in stopping interest ~~and~~ on money lying in the Treasury. Nor is there any reason to assume that a person will not be anxious to transfer the ~~amount~~ account of the deceased to his own name, or to withdraw the money as soon as he gets the necessary court certificate and is in a position to do so. Savings Bank accounts are distinguishable from Provident Fund Accounts and the same rules need not apply to both of them. Government do not consider therefore that any change in the existing rules is called for.

I have the honor to be,
Sir,
Your most obedient servant,

K Venkata Rao
For Secretary to Government,
Financial Department.

S.R.2